



City of Hampton Hazard Mitigation Loan Program

What is the Hazard Mitigation Loan Program?

- The City of Hampton Hazard Mitigation Loan Program (HMLP) is an initiative authorized by the Hampton City Council to address community needs related to hazard mitigation.
- The City of Hampton recognizes that some homeowners lack access to adequate financing to initiate mitigation measures due to limited capital and cash flow.
- The HMLP provides loan funds to citizens for improvements that will protect their property against future damages from natural disasters.

Who will be administering the Hazard Mitigation Loan Program (HMLP)?

- The HMLP is governed by the Hampton Redevelopment and Housing Authority (HRHA) and the Authority acts as project manager.
- The Authority has created a Loan Committee comprised of:
 - Two Directors of the HRHA;
 - The City of Hampton Director of Finance;
 - A representative from the City of Hampton Office of Emergency Management.
- The Hampton Office of Emergency Management will provide outreach for the loan program and will coordinate state/federal grant applications as appropriate.
- Old Point National Bank compiles initial loan paperwork, provides loan services, and ensures that federal lending regulations are met.

What are the goals of the HMLP?

- To assist in providing sources of capital for mitigation and property protection of homes that may or may not have access to conventional financing;
- To stimulate rehabilitation of, owner occupied, flood damaged properties in Hampton;
- To provide “gap” financing in situations where conventional lending is unable to fill the total capital needs based on lending limits, collateral requirements or other risks;
- To protect life safety by decreasing the risk associated with flooding within the City of Hampton.

What type of mitigation projects qualify for HMLP funding?

- Home elevation;
- Abandon/convert living space below Base Flood Elevation (BFE);
- Build additional story and convert space below BFE to non-living space;
- Dry flood proofing for historical structures;
- Move utilities to Base Flood Elevation plus current code requirement;
- Relocate structure out of special flood hazard area;
- Property protection projects such as structural retrofits, shutters, shatter resistant glass, water entry points.

What are the eligibility requirements of the Hazard Mitigation Loan Program?

- The home must be the primary residence of the applicant and the applicant must be the principal owner of the property.
- The loan must be in the first or second position.
- At the discretion of the Authority, financial assistance may or may not be extended if total financing is available from private lenders on terms that, in the opinion of the Authority, will permit accomplishment of the project.
- Barring exceptional circumstances, the minimum loan amount will be \$5,000 and the maximum \$100,000.
- Loan proceeds must be used for costs associated with elevation, construction, or rehabilitation of owner occupied home; projects must be in compliance with all applicable state and local codes and regulations.
- Hampton Roads Housing Authority will oversee the construction process to include soliciting and reviewing bids from eligible contractors to determine compliance with floodplain regulations, state and local building regulations and project requirements.

What properties are eligible for HMLP funding?

- Property must be located in Hampton, Virginia.
- Loan-to-value ratio cannot be more than 100% of current appraised or assessed value.
- Substantial improvement of any residential structure shall require elevation of the lowest floor to a minimum of Base Flood Elevation plus the current code requirement.
- Property taxes must be paid and current to date (or exempt).
- Property must be covered by insurance, including flood insurance where applicable.
- Property mortgage must be paid and current to date.
- 100% of loan funds must be used for approved mitigation project.

What are the terms of the HMLP?

- The interest rate charged by the Authority for the loan program will be fixed for the duration of the loan and will be based on the 10-year Treasury rate in effect when the loan is approved.
- The applicant should have equity to secure the lien on the property greater than the amount of the proposed project. The maximum loan-to-value rate shall not exceed 100%.
- The Authority may modify the terms of a loan to better assist an applicant by:
 - Collecting interest only during the initial repayment period;
 - Deferring interest and principal payments for up to six months;
 - Subordination of the loan; or
 - Any combination of the above including other terms deemed sufficient by the Authority.

Where can I get additional information and how do I apply?

A more comprehensive information packet is available through the

Hampton Office of Emergency Management:

1300 Thomas Street

(757)727-1208

emoffice@hampton.gov